

## REMARKS

Claims 1, 4, 6, 8-16, 19, 21, 23-31, 34, 36 and 38-52 remain pending in the present application. It is respectfully submitted that the pending claims define allowable subject matter.

### **REJECTION BASED ON SECTION 103 – OBVIOUSNESS**

#### **Fortuna Taken Alone**

The applicants now turn to the rejection of claims 1, 4, 6, 8, 10-16, 19, 21, 23, 25-30, and 47-50 under 35 U.S.C. 103(a) as being unpatentable over the article “The Quality Imperative” by Ronald M. Fortuna from the book “Total Quality.” Fortuna relates to a general discussion of methods for improving quality in products, services, and business operations. The Examiner’s rejection is respectfully traversed for at least the following reasons.

Independent claims 1 and 16 require managing organizational knowledge by synchronizing at least one knowledge policy with the tendency of a social system to self-organize around the production, diffusion, and application of organizational knowledge. Fortuna does not teach, nor suggest, this limitation. The Examiner cites a statement from Fortuna that “management translates at each level of management into specific, detailed actions and concrete goals” (p. 19) as evidence of “an application of such knowledge comprising synchronizing knowledge policy.” However, this language from Fortuna advises managers to specify “detailed actions and concrete goals” for use by lower level managers. In such a case, there is no synchronization of innovation-related knowledge policies with the tendency of people in organizations to self-organize around the production, diffusion, and application of innovative, organizational knowledge in their own characteristic ways. Fortuna simply does not teach, nor suggest, managing the application of organizational knowledge by synchronizing at least one knowledge policy with the tendency of a social system to self-organize around the production, diffusion, and

application of organizational knowledge and thus claims 1 and 16 are not obvious over Fortuna. Claims 4, 6, 8, 10-15, 19, 21, 23, 25-30, and 47-50 depend from either claim 1 or claim 16, and are not obvious over Fortuna for the same reasons given with respect to claims 1 and 16.

Also, to establish a *prima facie* case of obviousness, there must be some suggestion or motivation to modify a reference or to combine reference teachings. As acknowledged by the Examiner, Fortuna does not discuss a social system having a tendency to self organize. Rather Fortuna discusses a branch of management that is fundamentally different from the subject matter described in the pending claims. First, Fortuna discusses the steps quality managers take in minimizing defects in the manufacturing process. This method of management is more popularly known as the “Total Quality” approach to manufacturing management. In contrast, the claimed subject matter is not at all concerned with reducing defects in manufacturing processes but is instead directed to managing the rate and quality of organizational innovation.

Second, Fortuna describes a “top-down” command and control management method which does not allow for management of self-organization. The methods in the claimed subject matter, however, cover a “bottom-up” method of management that encourages innovation by relying on self-organization and the synchronization of knowledge policies with the tendency to self-organize. The management methods described in Fortuna and in the claimed subject matter are completely contradictory in their approaches and different in their applications. Fortuna teaches away from the methods disclosed in the claims and there is no suggestion or teaching to modify the Fortuna reference to arrive at the claimed subject matter. Therefore, it would not have been obvious to one of ordinary skill in the art to arrive at the claimed invention from Fortuna.

Thus, for at least these reasons, claims 1, 4, 6, 8, 10-16, 19, 21, 23, 25-30, and 47-50 of the

present application should be in condition for allowance over the cited art.

### **Fortuna in view of Reddy**

The applicants now turn to the rejection of claims 31, 34, 36, 38, 40, 44-46, 51, and 52 under 35 U.S.C. 103(a) as being unpatentable over the article “The Quality Imperative” by Ronald M. Fortuna from the book “Total Quality” in view of Reddy (U.S. Pat. No. 6,629,096). Reddy relates to a system for performing a mindflow process including a memory coupled to a processor. The memory stores a number of knowledge modules. Each knowledge module comprises a process having a number of subprocesses. The processor stores a knowledge item generated by a first knowledge worker in the memory based upon the results of a first query session. The processor further retrieves the knowledge item generated by the first knowledge worker based upon the results of a second query session with a second knowledge worker. The processor further initiates a graphical user interface having a number of displays. The Examiner’s rejection is respectfully traversed for at least the following reasons.

Independent claim 31 requires supporting management of the production, diffusion, and application of organizational knowledge and the synchronizing of at least one knowledge policy with the tendency of a social system to self organize around the production, diffusion, and application of organizational knowledge. Neither Fortuna, nor Reddy, teach or suggest this limitation. The Examiner cites the statement from Fortuna that “management translates at each level of management into specific, detailed actions and concrete goals” (p. 19) as evidence of “an application of such knowledge comprising synchronizing knowledge policy.” However, this language from Fortuna advises managers to specify “detailed actions and concrete goals” for use by lower level managers. In such a case, there is no synchronization of innovation-related knowledge policies with the tendency of people in organizations to self-organize around the

production, diffusion, and application of innovative, organizational knowledge in their own characteristic ways. Therefore, neither Fortuna nor Reddy teaches or suggests supporting management of the application of organizational knowledge and the synchronizing of a knowledge policy with the tendency of a social system to self organize around the production, diffusion, and application of organizational knowledge, and thus claim 31 is not obvious over Fortuna in view of Reddy. Because claims 31, 34, 36, 38, 40, 44-46, 51, and 52 depend from either claim 31, these claims likewise are not obvious over Fortuna in view of Reddy for the same reasons.

Also, to establish a *prima facie* case of obviousness, there must be some suggestion or motivation to modify the references or to combine reference teachings. However, there is no suggestion or teaching to modify or combine the total quality management teachings of Fortuna and the system for performing a mindflow process of Reddy to arrive at the inventions recited in claims 31, 34, 36, 38, 40, 44-46, 51, and 52. Additionally, for the reasons discussed above with respect to claims 1, 4, 6, 8, 10-16, 19, 21, 23, 25-30, and 47-50, Fortuna teaches away from the methods disclosed in claims 31, 34, 36, 38, 40, 44-46, 51, and 52, and there is no suggestion or teaching to modify the Fortuna reference to arrive at the claimed subject matter. Therefore, the applicants respectfully submit that claims 31, 34, 36, 38, 40, 44-46, 51, and 52 are not obvious pursuant to 35 U.S.C. § 103(a) over Fortuna in view of Reddy.

Thus, for at least these reasons, claims 31, 34, 36, 38, 40, 44-46, 51, and 52 of the present application should be in condition for allowance.

#### **Fortuna in view of Reddy and Diffusion of Innovation**

The applicants now turn to the rejection of claims 9, 24, and 39 under 35 U.S.C. 103(a) as being unpatentable over the article “The Quality Imperative” by Ronald M. Fortuna from the book “Total Quality” in view of Reddy (U.S. Pat. No. 6,629,096) and in further view of the book

“Diffusion of Innovation.” The Examiner’s rejection is respectfully traversed for at least the following reasons.

Independent claims 1, 16, and 31, from which claims 9, 24, and 39 depend, respectively, require managing the production, diffusion, and application of organizational knowledge and the synchronizing of at least one knowledge policy with the tendency of a social system to self organize around the production, diffusion, and application of organizational knowledge. As discussed above, neither Fortuna, nor Reddy, teaches or suggests this limitation. Furthermore, “Diffusion of Innovation” does not teach, nor suggest, this limitation. Therefore, because none of the references teaches or suggests all the limitations of claims 1, 16, and 31, claims 9, 24, and 39, which depend from claims 1, 16, and 31, respectively, are not obvious over Fortuna in view of Reddy and “Diffusion of Innovation.”

Also, to establish a *prima facie* case of obviousness, there must be some suggestion or motivation to modify the references or to combine reference teachings. However, there is no suggestion or teaching to modify or combine the total quality management teachings of Fortuna, the system for performing a mindflow process of Reddy, and the teachings of “Diffusion of Innovation” to arrive at the inventions recited in claims 9, 24, and 39. Additionally, for the reasons discussed above with respect to claims 1, 4, 6, 8, 10-16, 19, 21, 23, 25-30, and 47-50, Fortuna teaches away from the methods disclosed in claims 9, 24, and 39 and there is no suggestion or teaching to modify the Fortuna reference to arrive at the claimed subject matter. Therefore, the applicants respectfully submit that claims 9, 24, and 39 are not obvious pursuant to 35 U.S.C. § 103(a) over Fortuna in view of Reddy and “Diffusion of Innovation.”

Thus, for at least these reasons, claims 9, 24, and 39 of the present application should be in condition for allowance over the cited art.

### **Fortuna in view of Reddy and The Innovator's Handbook**

The applicants now turn to the rejection of claims 41-43 under 35 U.S.C. 103(a) as being unpatentable over the article "The Quality Imperative" by Ronald M. Fortuna from the book "Total Quality" in view of Reddy (U.S. Pat. No. 6,629,096) and in further view of the book "The Innovator's Handbook." "The Innovator's Handbook" relates to a general discussion of methods for encouraging innovation in a business operation. The Examiner's rejection is respectfully traversed for at least the following reasons.

Independent claim 31, from which claims 41-43 depend, requires supporting management of the production, diffusion, and application of organizational knowledge and the synchronizing of at least one knowledge policy with the tendency of a social system to self organize around the production, diffusion, and application of organizational knowledge. As discussed above, neither Fortuna, nor Reddy, teaches or suggests this limitation. Furthermore, "The Innovator's Handbook" does not teach, nor suggest, this limitation. Therefore, because none of the references teaches or suggests all the limitations of claim 31, claims 41-43, which depend from claim 31, are not obvious over Fortuna in view of Reddy and "The Innovator's Handbook."

Also, to establish a *prima facie* case of obviousness, there must be some suggestion or motivation to modify the references or to combine reference teachings. However, there is no suggestion or teaching to modify or combine the total quality management teachings of Fortuna, the system for performing a mindflow process of Reddy, and the innovation encouragement teachings of "The Innovator's Handbook." to arrive at the inventions recited in claims 41, 42, and 43. Additionally, for the reasons discussed above with respect to claims 1, 4, 6, 8, 10-16, 19, 21, 23, 25-30, and 47-50, Fortuna teaches away from the methods disclosed in claims 41-43 and there is no suggestion or teaching to modify the Fortuna reference to arrive at the claimed subject

matter. Therefore, the applicants respectfully submit that claims 41-43 are not obvious pursuant to 35 U.S.C. § 103(a) over Fortuna in view of Reddy and “The Innovator’s Handbook.”

Thus, for at least these reasons, claims 41-43 of the present application should be in condition for allowance.

### **REJECTION BASED ON SECTION 112--ENABLEMENT**

The Examiner’s rejection of the pending claims under 35 U.S.C. § 112 as failing to comply with the enablement requirement is respectfully traversed. The Examiner states that the specification does not explain how one of ordinary means would produce, diffuse and apply the knowledge policies claimed by the applicants. The means of producing, diffusing and applying knowledge policies are all taught in the specification with sufficient detail for a person of ordinary skill to practice the claimed method without undue experimentation at page 65, lines 10-21:

First is the tendency of individuals to engage in self-directed learning; next is the tendency of like-minded individuals to co-attract one another into the formation of affinity groups, or communities, to produce and validate community-based knowledge which is escalated to the level of the organization’s authority structure (management) for further review, validation and adoption. Knowledge that is adopted by management groups is then propagated, or diffused, across the organization, during which process it becomes embedded and expressed in practice by the many (application of knowledge).

The Examiner also states that the specification does not provide sufficient detail to allow one of ordinary skill in the art to practice the steps of the determination of conflicts, determination of requirements to resolve conflicts, practice of policies and the criteria for evaluation. These steps are all taught in the specification with sufficient detail for a person of ordinary skill to practice the claimed method without undue experimentation. For example, the specification teaches determining conflicts at page 74, line 22 – page 75, line 9:

In step S15, conflicts between existing (sic) and proposed knowledge embryology, politics, diversity and connectivity policies are determined. In other words, conflicts between the current KOS and the prescriptive model are determined. Once an organization's existing KOS has been discovered and documented (steps S11 and S12), comparisons may be made between current and desirable conditions (i.e., between the results of steps S12 and S14). Computer system 10 may be used during this step to process relevant data contained in data stores 30 regarding the existing KOS. The data and results of the processing may be communicated over network 100.

The specification teaches determining requirements to resolve conflicts at page 75, lines 10-

20:

In step S16, the requirements to resolve the conflicts determined in step S15, if any, are identified. For example, step S15 may assess the impact and level of effort required to resolve the conflicts. Each of the conflicts identified in step S15 above will potentially require interventions to resolve any gaps found. This is a planning step which forecasts the level of effort required to complete the overall process and the projected impact on the organization involved (usually expressed in terms of people, process, technology and financial resource requirements).

The specification teaches practice of policies at page 75, line 21 – page 76, line 3:

Referring to Figure 3, step S21 includes the practice of the proposed knowledge politics policies. In other words, step S21 comprises initializing a prototypical political system using the proposed model. Accordingly, this step involves implementation of a provisional knowledge-making political system that will take responsibility for all knowledge-related policy transformations from this point forward (i.e., KOS-related only). The provisional scheme is based on the prescriptive model defined in step S14, but ultimately redefines itself into a form that more fairly reflects actual organizational preferences. The initial form is, therefore, for bootstrapping purposes only. Computer system 10 may be used to help implement step S21 by processing data regarding the practice contained in data stores 30. The data and the results of the processing may be communicated over network 100 to computers 20A-20C.

Finally, the specification teaches the criteria for evaluation at page 76, line 14 – page 77,

line 7:

In step 22, the proposed knowledge politics policies and the prototypical system initialized in step S21 are evaluated and/or refined. In other words, step S22, customizes the bootstrapped political system by recursively subjecting itself to its own knowledge production processes. This is the step at which the initialized political system customizes itself and takes on a preferred structure and operating



system of its own choosing. Included in its transformation are not only the knowledge production processes of interest, but also the preferred manner in which knowledge will be diffused and applied throughout the organization. Also addressed are policies related intellectual property entitlement. Conclusions reached at step S14 are revisited here, as well. Computer system 10 may be used in this step for processing relevant data regarding this step and step S21. The data and the results of the processing may be communicated over network 100.

Finally, the Examiner states that, with respect to the § 112 enablement requirement, “the applicant must place these steps in the claim language of the application, as patentable weight is given to the claims and not to the specifications and/or figures.” Applicants respectfully disagree with the Examiner’s characterization of the enablement requirement. For a patent to be enabling, all that is required is that the specification enables any mode of making and using the invention. *Johns Hopkins Univ. v. CellPro, Inc.*, 152 F.3d 1342, 1361 (Fed. Cir. 1998). Section 112 ¶ 1 “permits resort to material outside of the specification in order to satisfy the enablement portion of the statute because it makes no sense to encumber the specification of a patent with all the knowledge of the past concerning how to make and use the claimed invention.” *Amtel Corp. v. Information Storage Devices, Inc.*, 198 F.3d 1374, 1382 (Fed. Cir. 1999). Thus, the enablement requirement has nothing to do with adding material to the claims but is met when the specification allows a person of ordinary skill in the art to practice the claimed subject matter. Therefore, having shown language from the specification that allows a person of ordinary skill in the art to practice the claimed invention, the applicants are not required to include these steps from the specification in the claims.

For the reasons discussed above and in applicants’ previous amendment, applicants respectfully submit that the pending claims comply with the enablement requirement of 35 U.S.C. § 112 and should be allowed.

## **REJECTION BASED ON SECTION 101**

The Examiner's rejection of claims 1, 4, 6, 8-16, 19, 21, 23-30, and 47-50 under 35 U.S.C. § 101 as being directed to non-statutory subject matter is respectfully traversed. The Examiner bases this rejection on a "two-pronged" test requiring that the invention (1) be within "the technological arts" and (2) "produce a useful, concrete, and tangible result." **Applicant has been unable to find any basis for such a 2 prong Test.** This test is not supported by the MPEP or the case law of the Court of Appeals for the Federal Circuit. The true test is whether the claimed subject matter is a process that has practical application. The MPEP states that § 101 limits patentable subject matter to "something that is a machine, manufacture, composition of matter or a process" and that is "useful." In other words, a useful process. Thus, while an abstract idea does not satisfy the requirements of § 101, an abstract idea practically applied to produce a useful, concrete and tangible result does satisfy the statute. *See, e.g., In re Alappat*, 31 USPQ2d 1545, 1558 (Fed. Cir. 1994); *State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 47 USPQ2d 1596, 1601-02 (Fed. Cir. 1998). Furthermore, the MPEP states that a business method claim (for example claims 15 and 30) should be treated like any other process claim. MPEP, § 2106, p. 2100-5, 5<sup>th</sup> paragraph.

Here, the claimed subject matter is a process and is clearly useful. It has real world value and has practical application. Claim 1 claims a method of managing one or more of the production, diffusion, application, and refining of knowledge, which necessarily provides a useful, concrete and tangible result. Claim 16 claims a method of providing instruction in order to manage one more of the production diffusion, application, and refining of knowledge, which necessarily provides a useful, concrete and tangible result. Furthermore, the Examiner cites no support for the proposition that applicants' invention must produce a tangible result such as a document or list. In fact the case

law clearly rejects any physical limitation test. See *AT&T Corp. v. Excel Communications Mktg. Inc.*, 172 F.3d 1352, 1358-60 (Fed. Cir. 1999)

The Examiner relies on *In re Musgrove* 57 CCPA 1352 (1970) and *In re Toma* 575 F.2d 872 (CCPA 1978) in support of the proposition that § 101 requires an invention to be within “the technological arts” by somehow applying, invoking, using, or advancing the technological arts. Specifically, the Examiner rejected the claimed subject matter because it does not use technology to carry out any of the claimed method steps. First, neither the MPEP nor Federal Circuit case law require the “technological arts” analysis in determining patentability pursuant to § 101. Second, neither *Musgrove* nor *Toma* states that an invention is not patentable under § 101 if it does not use technology to carry out the claimed method steps. Third, in *AT&T Corp.*, the Federal Circuit rejected the notion that process claims that lack physical limitations are not patentable subject matter. *AT&T Corp.*, 172 F.3d at 1359-60. Rather, the Federal Circuit stated that, in the case of process claims, the ultimate focus should be on whether the end result of a process is useful, concrete, and tangible:

[Defendant] also contends that because the process claims at issue lack physical limitations set forth in the patent, the claims are not patentable subject matter. This argument reflects a misunderstanding of our case law. The cases cited by [Defendant] for this proposition involved machine claims written in means-plus-function language. Apparatus claims written in this manner require supporting structure in the written description that corresponds to the claimed “means” elements. **Since the claims at issue in this case are directed to a process in the first instance, a structural inquiry is unnecessary.**

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Whatever may be left of the earlier test, if anything, this type of physical limitations analysis seems of little value because “after *Diehr* and *Alappat*, the mere fact that a claimed invention involves inputting numbers, calculating numbers, outputting numbers, and storing numbers, in and of itself, would not render it nonstatutory subject matter, unless, of course its operation does not produce a ‘useful, concrete and tangible result.’”

*Id.* at 1359 (citations omitted) (emphasis added). Thus, the case law does not require process claims to use technology, *i.e.*, physical limitations, to carry out any of the claimed steps. Because, as described above, the rejected process claims are useful, they are patentable under § 101.

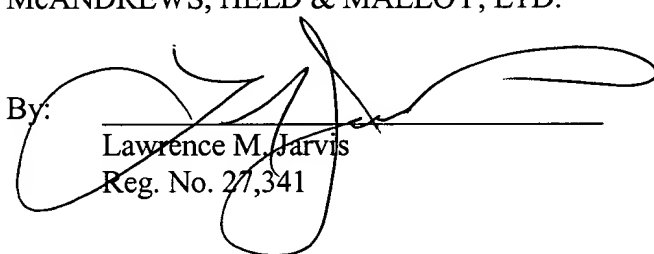
For the reasons discussed above and in applicants' previous amendment, claims 1, 4, 6, 8-16, 19, 21, 23-30, and 47-50 claim statutory subject matter and the applicants respectfully request that the Examiner withdraw the § 101 rejection.

Should anything remain in order to place the present application in condition for allowance, the Examiner is kindly invited to contact the undersigned at the telephone number listed below. If the Examiner has any questions or the Applicants can be of any assistance, the Examiner is invited to contact the Applicants. The Commissioner is authorized to charge any necessary fees or credit any overpayment to Deposit Account 07-0845.

Respectfully submitted,  
McANDREWS, HELD & MALLOY, LTD.

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By:



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